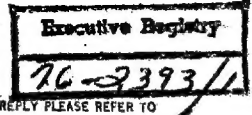




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UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415



IN REPLY PLEASE REFER TO

*White House*

YOUR REFERENCE

8 JUN 1976

Honorable George Bush  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Bush:

In his memorandum of May 27, 1976, President Ford called upon each of us to reexamine our position management and classification systems. The President's objective is two-fold: to assure the just and lawful compensation of Federal employees, and to assure that work is organized and employee skills and energies are utilized for maximum cost performance. These processes--position management and position classification--are the very core of the Federal personnel management system. Their strength and integrity are essential to cost effective government.

Position classification is clearly defined by law and regulation. What is needed here is assurance that your agency's system is in full legal and regulatory compliance and that the management controls by which classification integrity is maintained are in place and working. Position management, though partially governed by regulation, is greatly dependent upon management skill and judgment, informed by experience and our growing knowledge of the complex forces that produce motivated employees and effective organizations. We must make certain that our work structures and organizational designs are systematically being assessed for improvement, and that the allocation of positions and deployment of people reflect the best we know about managing human resources. Success in meeting these objectives clearly depends upon the active commitment of managers at every organizational level across the planning, budget, personnel and, particularly, line functions.

Since both position management and classification are regularly reviewed in our personnel management evaluation program, we see no need for additional reporting. To assess agency progress, we shall conduct more intensive reviews of these areas this year, and ask that you do the same through your internal personnel management evaluation system. Guidance for these reviews will be issued shortly.

Your personal interest in and attention to these efforts will enable us collectively to meet the President's objectives.

Sincerely yours,

*Robert E. Hampton*

Robert E. Hampton

Executive Registry  
Room 7-E-12  
Headquarters

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# EXECUTIVE SECRETARIAT

## Routing Slip

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3	D/DCI/IC				
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6	DDI				
7	DDA	X			
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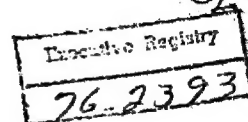
### Remarks:

To 7, For further distribution as appropriate.

D/ Executive Secretary

THE WHITE HOUSE  
WASHINGTON

May 27, 1976



MEMORANDUM FOR THE HEADS OF  
DEPARTMENTS AND AGENCIES

Over the past two decades, there has been a gradual but substantial rise in the average grade of General Schedule employees. Much of this rise is due to the fact that technological changes and other factors have brought about significant shifts in the makeup of the Federal workforce. These changes are reflected by a marked increase in the proportion of technical, professional, and managerial employees in the General Schedule.

We cannot assume, however, that this is the whole explanation. Recent reviews by the Civil Service Commission, the General Accounting Office, and the Office of Management and Budget indicate that classification and position management systems are not functioning as effectively as they should in a number of Federal agencies. There is evidence of both overgrading and undergrading because positions are either improperly described or inaccurately classified. This creates a situation which is unfair to all concerned. There are also indications in several agencies of excessive organization fragmentation, duplication of work and superfluous layers of supervision.

Where work has become substantially more complex or difficult, managers have a clear obligation to make commensurate adjustments in the way work is organized and in the grades of individual jobs. At the same time, there is an equally clear responsibility to ensure that undue grade increases are not allowed to occur. Position classification is a matter of law. Government managers are required to put jobs in their proper grades and Federal employees are entitled to equitable pay. Proper position management ensures that work is organized in a cost effective manner to provide optimum development and use of people's skills and energies. When either position classification or position management is deficient the result may be an unnecessary increase in the cost of Government.

EXECUTIVE REGISTRY FILE *White House*

I, therefore, am calling upon you to reexamine your internal position management and classification systems to ensure they are operating effectively and in full compliance with applicable laws and regulations. Agency heads will conduct this review in a manner to be prescribed by the Civil Service Commission and will report to the Commission both the actions they have taken and the results of those actions.

At the same time, the Civil Service Commission will pursue vigorously its continuing programs for evaluating agency performance and bringing about corrective action in the areas of position management and classification. Where the Commission finds extensive overgrading, undergrading, or underutilization of personnel resources, it will bring its findings to the attention of the Agency head concerned. In addition, the Commission and the Office of Management and Budget will work with the agencies involved to correct such problems, and may prescribe special instructions where warranted.

*Gerald R. Ford*

EXECUTIVE SECRETARIAT

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SUSPENSE 16 JUNE  
 Date

Remarks:

*Pls develop DCI Acknowledgment*